Secta. II–27—100,000—21-5-52.

Home (1949) Department.

p.12(E)

M.S SERIES.

G.O. No. 4667

Dated 22-11-1949

[Despatch Abstract.]

Let - The presidency Towns and Provincial Insolvency

Lets - Amendments Action taken by the Government of India

Papers Received.

Home Department.

MEMORANDUM UNDAR SECRETARIAT INSTRUCTION 32(2)

ACT - The Presidency Towns and the Provincial Insolvency Acts - Certain amendments.

The amendments to the Presidency Towns Insolvency Act and the Provincial Insolvency Act suggested in the Memorandum at pp. 1-7 c.f. have been examined in consultation with the Legal Department and the High Court. Legal consider that the amendments are reasonable and necessary. Item (IV) of the proposed amendments has already been taken up for consideration and is being dealt with separately. This Memorandum deals, therefore, only with the remaining items which are set out below with the modifications suggested by the High Court and the Legal Department and agreed to by H.M.(Law):--

I. Inclusion in the Presidency Towns Insolvency Act of a provision similar to section 78(2) of the Provincial Insolvency Act.

Section 41 of the Presidency Towns Insolvency Act provides for the annulment of adjudication on the failure of the insolvent to apply for discharge, and there is a corresponding provision in section 43 of the Provincial Insolvency Act. Under section 78(2) of the Provincial Insolvency Act, where an order of adjudication is annulled under the said Act, the period from the date of the order of adjudication to the date of the order of annulment has to be excluded in computing the period of limitation prescribed for any suit or application for the execution of a decree. This provision has a salutary effect, because creditors can, on annulment, file suits or apply for execution excluding the period aforesaid. Under the Provincial Insolvency Act, therefore, such annulment operates as a punishment to the insolvent as contemplated under the Act. The Presidency Towns Insolvency Act, however, does not contain any provision corresponding to section 78(2) of the Provincial Act, with the result that when an adjudication is annulled under section 41 of the Presidency Towns Insolvency Act, the creditors' rights are in most cases found to be barred, and section 41 of the Act which was intended to provide for a penalty, actually works to the benefit of the insolvent. The late H.M.(Law) considered that it was necessary to include in the Presidency Towns Insolvency Act, a provision on the lines of section 78(2) of the Provincial Insolvency Act

II. Amendment of section 53 of the Presidency Towns Insolvency Act on the lines of section 51 of the Provincial Insolvency Act.

Under section 53 of the Presidency Towns Insolvency Act, where execution of a decree has issued against the property of a debtor, no person is entitled to the benefit of the execution against the Official Assignee except in respect of assets realised in execution by sale or otherwise before the date of the order of adjudication and before the decree holder had notice of the presentation of any insolvency petition by or against the debtor. The corresponding provision in the Provincial Act is section 51 which provides that no person will be entitled to the benefit of the execution against the Official Receiver except in respect of assets realised in the course of the

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execution before the date of the admission of the petition. Thus there are material differences between the two corresponding provisions in the two Acts, the Presidency Towns Insolvency Act allowing the executing creditor the benefit of execution if before adjudication and without notice of the petition he has realised assets and the Provincial Insolvency Act allowing the general body of creditors, notice or no notice, the benefit of all realizations subsequent to the admission of the petition. An order of adjudication relates back to the date of the presentation of the petition in insolvency, and in the case of adjudication under the Presidency Towns Insolvency Act, the title of the Official Assignee will relate back under section 51 of the Act to the earliest act of insolvency committed within three months of the presentation of the petition. The late H.M.(Law) considered that section 53 of the Presidency Towns Insolvency Act should be brought in line with section 51 of the Provincial Insolvency Act since it will always be difficult to prove notice of the presentation of the insolvency petition.

III. Inclusion in both the Insolvency Acts of a provision similar to section 145 of the (English) Bankruptcy Act.

Under section 12(1)(c) of the Presidency Towns Insolvency Act, a creditor cannot file an insolvency petition unless inter alia the act of insolvency on which the petition is grounded has occurred within three months before the presentation of the petition. There is a similar provision in section 9(1)(c) of the Provincial Insolvency Act. This period of 3 months has been held not to be a period of limitation, but to be a condition precedent. The result is that if the period of 3 months expires during the vacation particularly in the mufassal, where the courts are closed, the creditor is disabled from filing a petition for adjudication on the re-opening day, if the period of 3 months expires during the time the court is closed. According to the English Law, section 145 of the Bankruptcy Act provides that in computing the time limited for any act or event, if the last day happens to be a holiday on which the court does not sit, then the next court day should be taken to be the last day for the act or proceeding. The late H.M.(Law) considered that suitable provision should be made in both the Insolvency Acts on the lines of section 145 of the Bankruptcy Act so as to make it possible, when the three months' period fixed by section 12(1)(c) of the Presidency Towns Insolvency Act and section 9(1)(c) of the Provincial Insolvency Act expires during the vacation of a court, to commence the proceedings on the re-opening day.

IV. Amendment of both Insolvency Acts so as to lay on the alience the burden of providing good faith, etc. in respect of transfer of property.

With reference to the setting aside of voluntary transfers under section 55 of the Presidency Towns Insolvency Act which corresponds to section 53 of the Provincial Insolvency Act, it has been held by the Privy Council in a decision under section 53 of the Provincial Insolvency Act, in 58 Indian Appeals 115 (Official Receiver versus P.L.K.M.R.M. Chettiar Firm) that the onus was upon the Official Receiver to prove that the transfer was not made in good faith and for valuable consideration. The Official Assignee and the Official Receivers are strangers to the insolvents' dealings and in many cases, the creditors instructing them to challenge such transactions are also in a similar position. Section 106 of

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of the Indian Evidence Act provides that when any fact is especially within the knowledge of any person, the burden of proving the fact is upon him. The facts to establish consideration, good faith and want of preference are within the knowledge of the alienee, and if he wants to uphold the transaction in his favour, the onus of proof in respect of good faith and consideration in the case of voluntary transfers should obviously be upon him and none else. The late H.M.(Law) considered that section 58 of the Provincial Insolvency Act and section 55 of the Presidency Towns Insolvency Act should be amended so as to lay that burden on the alienee.

V. Protection of the right of an insolvent over "after-acquired" property - Amendment of the Provincial Insolvency Act.

Property acquired by an insolvent before his discharge, commonly called "after-acquired" property, also vests in the Official Assignee or the Official Receiver, as the case may be, on adjudication under section 52(2)(a) of the Presidency Towns Insolvency Act and section 28(4) of the Provincial Insolvency Act Under the Provincial Insolvency Act, the vesting of such property takes effect forthwith, an expression which is absent in the Presidency Towns Insolvency Act. With reference to after-acquired property, it has been held consistently from the well-known decision in Cohen versus Mitchell (25 Q.B.D.262) that such property does not automatically vest in the Trustee in Bankruptcy, but that he must intervene, and that until such intervention an insolvent can deal with the property in favour of a bona fide person for value. The language of the Presidency Towns Insolvency Act is similar to the English Bankruptcy Act, and the principle of the above decision has has been recognised in the administration of insolvency law in the Presidency Towns. This rule is necessary for the protection of third parties dealing bona fide and for value with the insolvent after his insolvency. Under the Provincial Insolvency Act, however, by reason of the vesting being forthwith, it has been held that no intervention is necessary and that insolvent could not transfer the after-acquired property in favour of a bona fide alienee for value. This is a hardship which has been commented on by several judges - e.g. I.L.R. 4 Rangoon. The late H.M.(Law) considered that the principle enunciated in the English case Cohen Vs. Mitchell should be embodied in the Provincial Insolvency Act by suitable amendments.

VI. Amendment of the provisions relating to the annulment of adjudication in the two Insolvency Acts.

Section 21(1) of the Presidency Towns Insolvency Act and section 35 of the Provincial Insolvency Act deal with the annulment of adjudication where a debtor ought not to have been adjudicated insolvent, or where it is proved to the satisfaction of the court that the debts of the insolvent have been paid in full. Annulment on these grounds is obviously intended to remove the stigma moral and financial from one whom the court had unjustly branded as an insolvent, and it should not be left to the discretion of the court to undo the wrong. No question of commercial or public morality can arise in such cases. Further under section 13(4)(b) of the Presidency Towns Insolvency Act, it is obligatory on the part of the court, where the very same grounds are made out before adjudication, to dismiss the petition. Parity of reason would require that the provision

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provision for annulment on the same grounds should also be mandatory. The late H.A.(Law) considered that the Presidency Towns Insolvency Act should be brought into line with the Provincial Insolvency Act by the substitution of the ~~word~~ "shall" for the word "may" in section 21(1).

The late H.A.(Law) considered further that the opportunity should also be taken to amend section 43(1) of the Provincial Insolvency Act:

(i) by substituting the word "may" for the word "shall" as in a case falling under that section annulment should be in the discretion of the court; and

(ii) so as to give power to the court not only to annul the adjudication but also to make such other order as it may think fit as in section 41 of the Presidency Towns Insolvency Act.

Notwithstanding the mandatory form of this section, courts have held that the provision is merely directory. By such construction and by giving themselves power under section 27(2) of the Provincial Insolvency Act to extend the time for applying for discharge even on an application made after the expiry of such time, courts have avoided the deplorable consequences which a strict construction of section 53(1) would entail. If the word "may" is substituted for the word "shall" as proposed above, it would enable courts to do ~~x~~ justice to the creditors without placing a forced construction on the provision. The corresponding provision ~~in~~ of the Presidency Towns Insolvency Act, section 41, uses the word "may"

2. As "Bankruptcy and Insolvency" is in the Concurrent Legislative List and as the amendments suggested to the Presidency Towns and Provincial Insolvency Acts are substantial and important the Government of India have to be consulted. Submitted for order whether legislation may be undertaken on the above lines, and if so, whether the Government of India may be consulted first.

J.W.Pritchard,
Secretary to Government.

The proposals are set out in the draft memorandum above. The Government of India have since introduced in the Central Assembly a Bill to insert in the Provincial Insolvency Act a counter part of section 52(2)(b) of Presidency Towns Insolvency Act, and they have requested this Government to bestow further consideration on the proposal in item V above in view of the Bill introduced by the Copies of the memorandum may be circulated to all Hon.Ministers except H.M.(Home) with reference to the minute of H.M.(Home) extracted below:--

"This may be circulated to all the Ministers before I express my final views "

P.Subbaroyan/8-4-1947.

11/4/47

SECRETARY TO GOVERNMENT.

11-4-47

CURRENT FILE

The following matters may be considered in the amendment o the Insolvency Law

I. Section 41 of the Presidency Towns Insolvency Act provides for annulment of adjudication on the failure of the insolvent to apply for discharge. A similar provision is found in Section 43 of the Provincial Act. Under Section 78(2) of the Provincial Act it is provided that where an order of adjudication is annulled under the said Act, in computing the period of limitation prescribed for any suit or application for the execution of a decree, the period from the date of the order of adjudication to the date of the order of annulment is to be excluded. The result of this provision is salutary because creditors can, on annulment, file suits or apply for execution excluding the period aforesaid. The annulment in such a case under the Provincial Act works out therefore as a punishment on him as contemplated under the Act.

Under the Presidency Towns Insolvency Act, however, there is no provision corresponding to Section 78(2) of the Provincial Act, with the result that when an adjudication is annulled under Section 41 of the said Act the creditors' rights are in most cases found to be barred and section 41 of the Act conceived as a penalty works to the benefit of the insolvent. This should be set right by a provision corresponding to section 78(2) of the Provincial Act being introduced.

II. Under Section 53 of the Presidency Towns Insolvency Act, where execution of a decree has issued against the property of a debtor, no person is entitled to the benefit of the execution against the Official Assignee, except in respect of assets realised in execution before the date of the order of adjudication and before the decree-holder had notice of the presentation of any insolvency petition by or against the debtor. The analagous provision under the Provincial Act is Section 51, which, however, is different. Under this Section no person is entitled to the benefit of the execution against the Official Receiver except in respect of assets realised in the course of the execution before the date of the admission of the petition. Thus there are material differences between the two provisions. Under the Presidency Towns Insolvency Act the executing creditor gets the benefit of execution if before adjudication and without notice of the petition he has realised assets. Under the Provincial Act, notice or no notice, all realisations subsequent to the admission of the petition will have to be brought in for the general body of creditors. An order of adjudication relates back to the date of the presentation of the petition in xx insolvency and in the case of adjudication under the Presidency Act the title of the Official Assignee relates back, under Sec. 51 of the Act, to the earliest act of insolvency committed within three months of the presentation of the petition. The policy of the Insolvency Law is as far as possible to place the creditors on an equal footing when once a debtor is found to have committed an act of insolvency. Logically having regard to Section 51 of the Presidency Act, the rights of the Official Assignee should be higher under the said Act. There is no reason why Section 53 of the Presidency Act should be different from Section 51 of the Provincial Act.

III. Under Section 12(1)(c) of the Presidency Act, a creditor cannot file an insolvency petition unless inter alia the act of insolvency on which the petition is grounded has occurred within three months before the presentation of the petition. Similar is the provision under Section (9(1)(c) of the Provincial Act.

The period of three months has been held not to be a period of limitation, but to be a condition precedent. The result is that if the period of three months expires during the vacation particularly in the mofussil where the Courts are closed the creditor is disabled from filing a petition for adjudication on the re-opening day if the period of three months expires during the time when the Court is closed. In this connection the decision in 58 Madras 794 (Full Bench) may be referred to. Suitable amendment may be considered permitting presentation of the petition on the reopening day if the 3 months' period expires in the Holidays.

IV. The right of a manager of a Joint Hindu family to sell the family assets to discharge debts which are payable out of the joint assets has been held not to be a property within Section 2(d) of the Provincial Act. There is no provision in the said Act corresponding to Section 52 of the Presidency Act and therefore such a right of the manager which may be exercised under the Presidency Act has been held not to devolve on the Official Receiver when the manager is adjudicated insolvent under the Provincial Act. The decision in I.L.R. 1943 Madras, page 83 (Full Bench) may be referred to. At page 95 top the following observations appear:

> "The remedy is in the hands of the Central Legislature and we trust that it will bring the two Acts into a line and will do so without delay"

It is therefore a matter for consideration whether a provision similar to that contained in Section 52 of the Presidency Act should not also be incorporated in the Provincial Act.

V. With reference to the setting aside of voluntary transfers and fraudulent preferences under section 55 and 56 of the Presidency Towns Insolvency Act (corresponding to sections 53 and 54 of the Provincial Act) it has been held by the Privy Council in a decision under Section 53 of the Provincial Act in 58 Indian Appeals 115 (Official Receiver Vs. P.L.K.M.R.M. Chettiar Firm) that the onus was upon the Official Receiver to prove that the transfer was not made in good faith and for valuable consideration. The same principle has been held to apply for setting aside fraudulent preferences also.

In insolvency administration, this is found to work a great hardship. The Official Assignee and the Official Receiver are strangers to the insolvent's dealings and in many cases the creditors instructing them to challenge such transactions are in a similar position. This hardship has received judicial recognition in I.L.R. 12 Rangoon, 625 in which Page, Chief Justice, has observed at page 626 as follows:

> "I should have thought that in an application under section 53 of the Provincial Insolvency Act it would have been the intention of the Legislature, when once a transfer of property by the debtor is proved within two years of the presentation of the petition, that the transferee should be called upon to prove that he was a purchaser in good faith and for valuable consideration. That, however, is a matter for the Legislature and not for the Court and it is the duty of the Court to administer the law as it stands"

P.T.O.

Section 106 of the Evidence Act provides that when any fact is especially within the knowledge of any person, the burden of proving that fact is upon him. The facts to establish consideration and good faith and want of preference are within the knowledge of the alienee if he wants to uphold the transaction in his favour and the section should be so amended as to show that the onus of proof is on the alienee desiring to uphold the transaction in his favour.

VI. Property acquired by an insolvent before his discharge also vests in the Official ~~xxxx~~ Assignee or Receiver, as the case may be, on adjudication under section 52(2)(a) of the Presidency Towns Insolvency Act and section 28(4) of the Provincial Insolvency Act. The said property is compendiously called "after acquired property". Under the Provincial Act, however, such property vests forthwith, an expression which is absent in the Presidency Towns Insolvency Act.

With reference to after acquired property, it has been held consistently from the well-known decision of Cohen - Vz. Mitchell (25 Q.B.D.262) that such property does not automatically vest in the Trustee in Bankruptcy, but that he must intervene and until such intervention an insolvent can deal with such property in favour of a bona fide person for value. The language of the Presidency Towns Insolvency Act being similar to the English Bankruptcy Act, the principle of the above decision has been recognised in the administration of Insolvency Law in the Presidency Towns and the rule is a very beneficial and just rule in favour of third parties dealing bona fide and for value with the insolvent after his insolvency (Please see Sir Dinshawmulla's Law of Insolvency page 368)

Under the Provincial Act, however, by reason of the vesting being "forthwith" it has been held that no intervention is necessary and an insolvent could not transfer the after-acquired property in favour of a bona fide alienee for value. This is a hardship which has been judicially noticed in I.L.R. 4 Rang. page 125. At page 127, Rutledge, Chief Justice and Maung Ba J. observe as follows:

> "Hard cases may no doubt arise where the Court or the receiver has taken no action and property has exchanged hands and been acquired by bona fide transferees without notice of the insolvency. But the remedy does not lie with the Courts but rather with the legislature, and if it thinks well it can imitate the English statute of 1914; section 47"

The salutary principle enunciated under the English Act and copied into the Presidency Towns Insolvency Act should also be adopted in the Provincial Act.

VII. Under section 21 of the Presidency Towns Insolvency Act, the Court may annul an adjudication if the debtor ought not to have been adjudged an insolvent or where it is proved that the debts of the insolvent are paid in full.

Under Section 35 of the Provincial Act, however, in similar circumstances, it is obligatory for the Court to annul the adjudication because of the expression "shall" in that section.

P.T.O.

The annulment of adjudication should in the discretion of the Court as it undoubtedly is in applications for discharge Considerations of commercial morality, benefit to creditors and other circumstances would xxx weigh with the Court in annulling an adjudication as in ordering a discharge. The language of Section 35 of the Provincial Act may be brought into conformity with the Presidency Towns Insolvency Act.

Notes

The file relates to certain amendments to the Presidency-towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920 according to the memorandum to Sri K.Bashyam, the then Minister for Law at pp.1-7 c.f. The memorandum at pp.19-25 c.f. sets out the amendments to both the insolvency Acts as agreed to finally The note at pp.12-14 ante sets out the case.

2. The Government of India were informed that the amendments proposed were substantial and important and that this Government desired to undertake provincial legislation in respect of them. With ref. to Secretariat Instructions 33-A, they were asked to communicate their concurrency to the proposed legislation being undertaken by this Government. They stated that they had addressed other Provincial Governments and certain Chief Commissioners on the proposed amendments to the Two Acts suggested by this Government and that for the sake of uniformity, it was desirable that the amending legislation, if any, should be promoted by the Centre. They have specifically stated that in view of the action taken by them, it was unncessary for the Provincial Government to undertake the proposed legislation. Subsequently, they stated that replies received from all the Provincial Governments were being examined and if the Cabinet decided in favour of promoting central legislation, a Bill, on the subject would be introduced in the Constituent Assembly of India (Legislative) at the earliest practicable date.

3. The Government of India have now stated that, after considering the comments of the various provincial Government a bill on the subject has been drafted by them which, if approved by the Cabinet, is likely to be introduced in the next session in the Constituent Assembly (Legislative) and that in view of the comments received proposal IV in this Government's memorandum at pp.29-32 c.f. has not been incorporated in the Bill.

4. This proposal item IV relates to amendment of both the Insolvency Acts so as to lay on the alience the burden of providing good faith, etc. in respect of transfer of property. With reference to the setting aside of Voluntary transfere under section 55 of the Presidency Towns Insolvency Act which corresponds to section 53 of the Provincial Insolvency Act, it has been held by the Privy Council in a decision under section 53 of the Provincial Insolvency Act, in 58 Indian Appeals 115 (Official Receiver versus P.L.K.M.R.M. Chettiar Firm) that the onus was upon the Official Receiver to prove that the transfer was not made in good faith and for valuable consideration. The Official Assignee and the Official Receivers are strangers to the Insolvents' dealing and in many cases, the creditors instructing them to challenge such transactions are also in a similar position. Section 106 of the Indian Evidence Act provides that when any fact is especially within the knowledge of any person, the burden of proving the fact is upon him. The facts to establish consideration , good faith and want of preference are within the knowledge of the alienee and if he wants to uphold the transaction in his favour, the onus of proof in respect of good faith and consideration in the case of voluntary transfers should obviously be upon him and none else. The Government of India have not communicated the comments and reasons of other Proincial Governments and their views which prevented them from incorporating the proposal in the Bill. For orders whether the reasons and comments which weighed against the proposal should be ascertained and the proposal pursued or whether it may be dropped. Legal may be requested to advise.

Cont.

(The Government of India may be requested to state
K.) the reasons for dropping amendment IV proposed by the
(Government.

Home U.O. 32211/F/46-17 Sd.....
4/X/49. 4-10-49.

Legal Department.

The Government of India may be consulted as proposed at K above.

Sd.....
14-10-49

Please see the notes of this Department and Legal Department on page 18-19 ante. Legal agree with this Department's view at K above. The draft letter submitted is for approval.

Sd.....
19-10-49.

(Issued as Letter No. 32211/46-18 dated 19-10-1949)

From the Government of India, Ministry of Law, No.F.54-2/48-L dated 29-10-1949.

With reference to 'K' on page 19 ante, the Government of India have stated that the Opinions elicited by circulation revealed that there was substantial opposition to proposals No.IV in the Memorandum at pp.29-32 c.f. being incorporated in the proposed Bill and that it was therfore decided not to pursue the proposal. India have not communicated the reasons which weiged against the proposal . For orders whether the question should be pursued further or whether it may be dropped . Legal may see for remarks, if any , before circulation.

Need not be pursued. ? 'M'

Sd.....
4-11-49.

Legal Department.

M. above.- The Government of India have stated in their reply at page 59 c.f. that proposal IV in the memorandum enclosed with this Government's letter was not pursued in view of the substantial opposition to it in the opinions elicited by circulation. This department may therefore agree that the proposal need not be pursued.

I agree. We cannot pursue this subject, in view of the Government of India's opinion.

Sd.....
7-11-49.

Cont.

Home Department

File relates to certain amendments to the Presidency-towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920 according to the memoranda to Sri K. Bashyam, the then Minister for Law at page 1-7 c.f. The memorandum at page 19-25 c.f. sets out the amendments to both the Insolvency Acts as agreed to finally. The note at page 18-19 ante sets out the case.

2. With reference to 'K' on page 19 ante, the Government of India were requested to state the reasons for dropping amendment IV proposed by this Government . They have stated that the opinions elicited by circulation revealed that there was substantial opposition to proposal IV in the Memorandum at page 29-32 c.f. being incorporated in the proposed Bill and that it was, therefore, decided not to pursue the proposal They have not communicated the reasons which weighed against the proposal. This Department consider that the question need not be pursued. Legal Department agree with this Department and state that this Government cannot pursue this subject, in view of the Government of India's opinion. In the above circumstances, no action is called for. The papers may be recorded for facility of future reference and a Call Book entry may be made against 10-6-1950 when the Government of India may be reminded about the stage of the Bill, if necessary.

Government of Madras.
Abstract.

Act - The presidency Towns and Provincial Insolvency Acts - Amendments Action taken by the Government of India - Papers recorded.

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Home Department.

G.O.Ms.No. 4667 dated 22-11-49

O R D E R :

R e c o r d e d .

Sd.....
18-11-49.

True copy/

Superintendent,
Madras Record Office.

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2/2/17

Home Department.

C. No. 82404 C&S II/50

Act - The Presidency Towns and the Provincial Insolvency Acts - Amendments .

Ref: Issued as letter No 82404 Courts III/50-1, dated 19-6-50

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In 1949 this Government proposed to issue certain amendments to the Presidency Towns Insolvency Act, 1909 and the Provincial Insolvency Act 1920. Pleas see the suggestions at page 29-32 c.f. of 'M'. Since the two acts fall within the cuncurrent list, the Government of India were informed that the amendments proposed were substantial and important and that this Government desired to under take Provincial Legislation, and requested the Government of India to communicate their concurrence to the proposed legislation.

2. India consulted the other Provincial Governments and certain chief Commissioner of the proposed amendments and stated that for the sake of uniformity it was desirable that the amending legislation if any, should be promoted by the centre; and desired that in view of the action taken by the centre, it was unncessary for this Government to undertake the proposed legislation.

3. Subsequently India stated that a Bill on the subject had been drafted by them and that it would be introduced in the constituent Assembly (Legislative) at the earliest practicable date. In view of the opinion of the Government of India in para 2 above the proposed legislation by this Government has been dropped and a call Book entry was made to remind Government of India about the stage of the Bill.

4. With reference to the extracts of call Book entry on page 1 c.f. the Government of India have been requested to inform this Government of the stage of the Bill. India have since stated that the Insolvency Law (Amendment) Bill was passed by Parliament and that two copies of the Act were previously forwarded to the Legal Department; No action is necessary. May be lodged and filed with G.O.Ms.No.4667 Home dated 22-11-49 after perusal by Legal.

Sd.....
25-7-50.

Legal Department

May be perused and returned to Home. The Act (Central Act III of 1950) has been republished at page 537-538 of Part II -B of the Fort St. George Gazette dated the 7th March 1950.

Sd.....
1-8-50.

Home Department.

The Legal Department note above may be perused. The papers may now be stitched with G.O.Ms.No. 5667 Home , dated 22-11-49.

Sd.....
5-8-50.

P.T.O

Superintendent
Madras Record Office

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